United Nations A/54/7/Add.9

General Assembly

Distr.: General
10 December 1999

Original: English

Fifty-fourth session
Agenda item 121
Proposed programme budget for the biennium 2000-2001

Revised estimates: effect of changes in rates of exchange and inflation

Tenth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/54/623) containing revised estimates resulting from the effect of changes in rates of exchange and inflation as well as the addendum to the report (A/54/623/Add.1) which updates the information contained in the report.

2. The impact of the proposed recosting on the proposed programme budget for 2000-2001[1] is a net decrease of $93,396,300 under the expenditure sections from $2,655,362,400 to $2,561,966,100 and a decrease of $6,611,200 under the income sections from $370,435,700 to $363,824,500. The net decrease under the expenditure sections of $93.4 million reflects a combined effect of reduced requirements of $5.8 million attributable to adjustments to the initial proposed programme budget recommended by the Advisory Committee, $92.8 million resulting from revised exchange rates assumptions and an increase of $5.2 million in respect of inflation.

3. The Advisory Committee notes that for the first time, the Secretariat has included in the recosting exercise the adjustments to the proposed programme budget resulting from the recommendations of the Advisory Committee; these have yet to be acted upon by the General Assembly. The Advisory Committee points out that the table following paragraph 11 of the report of the Secretary-General (A/54/623) contains an error: the recommendation of the Advisory Committee on the redeployment of a P-2 post from subprogramme 5 to subprogramme 1 within section 11A, Trade and development, should not have been included in the table, since it does not entail financial implications. This error, therefore, does not have any bearing on the proposed revision to the proposed programme budget for the biennium 2000-2001.

4. As indicated in paragraphs 1 to 3 of the addendum to the report (A/54/623/Add.1), the initial recosting reflected in the main report was based on data available up to November 1999, while the addendum provides the updated recosting based on the December 1999 United Nations operational rates of exchange and associated movements on the post adjustment indices.

5. The Advisory Committee has found no technical basis for objecting to the Secretary-General's revised estimates arising from the recosting of the effects of changes in rates of exchange and inflation and, accordingly, transmits them to the Fifth Committee for consideration.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 6* (A/54/6/Rev.1).

99-38384 (E) 101299